

PUBLIC VS PRIVATE SECTOR:

This section presents summary statistics of the gender pattern in the public and private sectors. In 2009, working men had higher real wages than women both in the public and private sectors. The unadjusted gender real wage gap in the private sector is more than three times higher than the public sector. Men also stay longer in the labour market compared to women. This holds true for both the private and public sectors and it may partly explain the lower wage returns accruing to women overtime. One plausible reason for the late exit of women in the public sector is the job nature, which accommodates moonlighting, generous pension benefits, job security and ability to take care of the home. Since public sector job responsibilities can be combined with children nurturing, women would stay longer in public service. Consequently, the public sector has become one of the most attractive employment sites for women and racial minorities because of its protective nature and more egalitarian pay system (Asher and Popkin 1984; Gornick and Jacobs 1998; Grimshaw 2000; Maume 1985). Indeed, researchers in a variety of countries have repeatedly demonstrated that the pay disadvantage for women is substantially smaller in the public than in the private sector. For example, Arulampalam et al. (2007) showed that in all 11 countries included in their study, the gender pay gap is more pronounced in the private than in the public sector. Panizza and Qiang (2005) found similar findings for 12 (of 13) Latin American countries. Country-specific studies have yielded similar results—Melly (2005) for Germany, Zweimiiller and Winter-Ebmer (1994) for Austria, and Tansel (2005) for Turkey—all of whom found gender pay gaps to be larger in the private sector relative to the public sector. In addition, there were fewer private sector organizations during these periods, hence explaining the fewer number of men and women in this sector, compared to the public sector. The data on educational qualifications also reveal interesting facts. Male and female workers in the public sector are better educated than their counterparts in the private sector. Another point that women's attainment of first degree is higher than men. Men, however, dominate higher degree qualification. A plausible explanation for this is because, women's pursuit of higher degrees often decline after marriage, due to family responsibilities, child birth and the cultural beliefs that investment in women's education beyond a certain level may be unnecessary.

The unexplained gender pay gap differs not only across countries and regions but also within the individual industries and between the public and private sectors. Chatterji et al. (2011) examine the public-private sector gender pay gap using data for Britain in 2004 and Oaxaca-Ransom decomposition. They conclude that the unexplained gender pay gap in the private sector is more than two times higher when compared to the public sector. Studies by Antón and Muñoz de Bustillo (2013) and by Rahona-López, Murillo-Huertas, and Salinas-Jiménez (2016) using Spanish Wage Structure Survey data also identify higher unexplained gender wage differences in the private sector. Rahona-López et al. (2016) examine the wage

differences by sector (public/private) and by gender. They use a modification of the Oaxaca-Blinder decomposition to isolate wage differences occurring due to differences in personal, occupational and company characteristics and the unexplained part of the gender wage gap. Regarding the public–private sector gender wage differences, they conclude that both the raw gender pay gap and its unexplained part are higher in the private sector. Separately, both sectors show that an increase in wage distribution leads to an increase in the unexplained wage differences. The conclusions of Antón and Muñoz de Bustillo (2013) are similar. Pena-Boquete et al. (2010), using NACE classification, estimate the unexplained part of the gender pay gap not only for the private and public sectors but also for the individual sectors of the economy. They use data for Italy and Spain and identify the significant variations in the unexplained wage differences across the individual sectors as well as between countries. This study is primarily focused on the distribution of wage discrimination and therefore does not analyse the causes of variability in the sector-specific gender pay gap. The contribution of our study is firstly, to estimate the sector-specific unexplained gender pay gap for 24 European countries and secondly, to identify the possible causes of the existing variability. Women's increasing attainment of higher education does not seem to close much of gender wage gap either in the public sector or private sector. A probable reason for this may be that women with better or equal educational qualification as men accepts a job that pays lower wages due to factors constraining women's easy access into the job market. It is therefore important that increased participation of women in the private sector is encouraged through creation of jobs that incorporate flexible working hours, generous maternity leave, part-time jobs, etc.